
COMPARING SOCIAL SECURITY FINANCING WITH INSURANCE COMPANIES

	CONTRIBUTIONS	INVESTMENTS	RESERVES
SOCIAL SECURITY	Taxes Premiums	Government Securities	Partial
COMPANY PENSIONS	Deposits	Securities Stocks/Bonds Real Estate Loans	Full
INSURANCE COMPANIES	Premiums	Securities Stocks/Bonds Real Estate	Full

Social Security is considered soundly financed when estimated tax income scheduled in the law is sufficient to cover estimated outgo over the next 75 years. As a social insurance program, it relies on taxes on future earnings.

The 1977 and 1983 Amendments allowed partial reserves to be built up to help pay benefits in the next century when there will be fewer workers supporting more beneficiaries.

Company pensions and insurance companies must have enough reserves to cover outstanding obligations at any given time.